



Norwest Equipment Finance, Inc
Suite 120
1600 West 82nd Street
Bloomington, Minnesota 55431
612/885-5660
Fax. 612/885-5686

16988
SEP 5 1990 - 12 10 PM
INTERSTATE COMMERCE COMMISSION

August 28, 1990

0-248A016

Ms. Mildred Lee
Interstate Commerce Commission
12th & Constitution Avenue N.W.
Washington, DC 20423

Dear Ms. Lee,

Enclosed for filing is an original Promissory Note and Security Agreement, each fully executed and acknowledged, dated August 17, 1990 between Norwest Equipment Finance, Inc., as debtor, and Dakota, Missouri Valley, and Western Railroad, Inc., as borrower, covering 4 locomotives and 2 switches.

Would you please record this loan in your office. Our check for \$15.00 payable to the IC~~C~~ is enclosed.

If you have any questions please do not hesitate to call me at (612)885-5690.

Thank-you for your assistance.

Sincerely,

Lisa A Buck

Lisa A. Buck
Documentation Supervisor

Enc.

/lb

SEP 5 12 02 PM '90
FBI - BLOOMINGTON

Interstate Commerce Commission
Washington, D.C. 20423

9/5/90

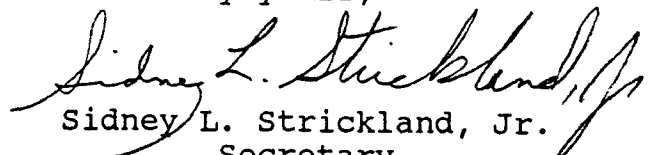
OFFICE OF THE SECRETARY

Lisa A Buck
Norwest Equipment Finance Inc.
1600 West 82nd Street Suite 120
Bloomington, Minnesota 55431

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/5/90 at 12:10pm, and assigned recordation number(s). 16988

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

Security Agreement

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16988
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INTERSTATE COMMERCE COMMISSION

DATE August 17 19 90

DEBTOR	Dakota, Missouri Valley, and Western Railroad, Inc.	SECURED PARTY	Norwest Equipment Finance, Inc.
BUSINESS OR RESIDENCE ADDRESS	2101 East Broadway	ADDRESS	1600 W. 82nd St., Suite 120
CITY, STATE & ZIP CODE	Bismarck, ND 58501	CITY, STATE & ZIP CODE	Minneapolis, MN 55431

1 Security Interest and Collateral. To secure the payment and performance of each and every debt, liability and obligation of every type and description which Debtor may now or at any time hereafter owe to Secured Party (whether such debt, liability or obligation now exists or is hereafter created or incurred, whether it is currently contemplated by the Debtor and Secured Party, whether any documents evidencing it refer to this Security Agreement, whether it arises with or without any documents (e.g. obligations to Secured Party created by checking overdrafts), and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several or joint and several, all such debts, liabilities and obligations being herein collectively referred to as the "Obligations"), Debtor hereby grants Secured Party a security interest (herein called the "Security Interest") in the following property (herein called the "Collateral") (check applicable boxes and complete information)

(a) INVENTORY

☐ All inventory of Debtor, whether now owned or hereafter acquired and wherever located,

(b) EQUIPMENT, FARM PRODUCTS AND CONSUMER GOODS

☐ All equipment of Debtor, whether now owned or hereafter acquired, including but not limited to all present and future machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery and equipment, shop equipment, office and recordkeeping equipment, parts and tools, and the goods described in any equipment schedule or list herewith or hereafter furnished to Secured Party by Debtor (but no such schedule or list need be furnished in order for the security interest granted herein to be valid as to all of Debtor's equipment)

☐ All farm products of Debtor, whether now owned or hereafter acquired, including but not limited to (i) all poultry and livestock and their young, products thereof and produce thereof, (ii) all crops, whether annual or perennial, and the products thereof, and (iii) all feed, seed, fertilizer, medicines and other supplies used or produced by Debtor in farming operations, and (iv) any crop insurance payments and any government farm support payments, including any diversion or deficiency payments. The real estate concerned with the above described crops growing or to be grown is

and the name of the record owner is

☒ The following goods or types of goods Various pieces of equipment more specifically described on Schedule A attached hereto and made a part thereof.

(c) ACCOUNTS AND OTHER RIGHTS TO PAYMENT

☐ Each and every right of Debtor to the payment of money, whether such right to payment now exists or hereafter arises, whether such right to payment arises out of a sale, lease or other disposition of goods or other property by Debtor, out of a rendering of services by Debtor, out of a loan by Debtor, out of the overpayment of taxes or other liabilities of Debtor, or otherwise arises under any contract or agreement, whether such right to payment is or is not already earned by performance, and howsoever such right to payment may be evidenced, together with all other rights and interests (including all liens and security interests) which Debtor may at any time have by law or agreement against any account debtor or other obligor obligated to make any such payment or against any of the property of such account debtor or other obligor, all including but not limited to all present and future debt instruments, chattel papers, accounts, loans and obligations receivable and tax refunds

(d) GENERAL INTANGIBLES

☐ All general intangibles of Debtor, whether now owned or hereafter acquired, including, but not limited to, applications for patents, patents, copyrights, trademarks, trade secrets, good will, tradenames, customers' lists, permits and franchises, and the right to use Debtor's name

together with all substitutions and replacements for and products of any of the foregoing property not constituting consumer goods and together with proceeds of any and all of the foregoing property and, in the case of all tangible Collateral, together with all accessions and, except in the case of consumer goods, together with (i) all accessories, attachments, parts, equipment and repairs now or hereafter attached or affixed to or used in connection with any such goods, and (ii) all warehouse receipts, bills of lading and other documents of title now or hereafter covering such goods

2 Representations, Warranties and Agreements Debtor represents, warrants and agrees that

(a) Debtor is ☐ an individual, ☐ a partnership, ☒ a corporation and, if Debtor is an individual, the Debtor's residence is at the address of Debtor shown at the beginning of this Agreement

(b) The Collateral will be used primarily for ☐ personal, family or household purposes, ☐ farming operations, ☒ business purposes

(c) ☐ If any part or all of the tangible Collateral will become so related to particular real estate as to become a fixture, the real estate concerned is

and the name of the record owner is

(d) Debtor's chief executive office is located at or, if left blank, at the address of Debtor shown at the beginning of this Agreement

THIS AGREEMENT CONTAINS ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE HEREOF, ALL OF WHICH ARE MADE A PART HEREOF.

Norwest Equipment Finance, Inc.

Secured Party's Name

By
Title

Andrew Pucht
AVP-Credit

Dakota, Missouri Valley, and Western Railroad, Inc.

Debtor's Name

By
Title

Larry Wood
PRESIDENT

By
Title

ADDITIONAL PROVISIONS

3 Additional Representations, Warranties and Agreements Debtor represents warrants and agrees that

(a) Debtor has (or will have at the time Debtor acquires rights in Collateral hereafter arising) absolute title to each item of Collateral free and clear of all security interests liens and encumbrances, except the Security Interest and will defend the Collateral against all claims or demands of all persons other than Secured Party Debtor will not sell or otherwise dispose of the Collateral or any interest therein without the prior written consent of Secured Party except that until the occurrence of an Event of Default and the revocation by Secured Party of Debtor's right to do so Debtor may sell any inventory constituting Collateral to buyers in the ordinary course of business and use and consume any farm products constituting Collateral in Debtor's farming operation. If Debtor is a corporation this Agreement has been duly and validly authorized by all necessary corporate action and if Debtor is a partnership the partner(s) executing this Agreement has (have) authority to act for the partnership.

(b) Debtor will not permit any tangible Collateral to be located in any state (and if county filing is required in any county) in which a financing statement covering such Collateral is required to be but has not in fact been filed in order to perfect the Security Interest.

(c) Each right to payment and each instrument document chattel paper and other agreement constituting or evidencing Collateral is (or will be when arising or issued) the valid genuine and legally enforceable obligation subject to no defense set off or counterclaim (other than those arising in the ordinary course of business) of the account debtor or other obligor named therein or in Debtor's records pertaining thereto as being obligated to pay such obligation Debtor will neither agree to any material modification or amendment nor agree to any cancellation of any such obligation without Secured Party's prior written consent and will not subordinate any such right to payment to claims of other creditors of such account debtor or other obligor.

(d) Debtor will (i) keep all tangible Collateral in good repair working order and condition normal depreciation excepted, and will from time to time replace any worn, broken or defective parts thereof (ii) promptly pay all taxes and other governmental charges levied or assessed upon or against any Collateral or upon or against the creation perfection or continuance of the Security Interest (iii) keep all Collateral free and clear of all security interests liens and encumbrances except the Security Interest (iv) at all reasonable times permit Secured Party or its representatives to examine or inspect any Collateral wherever located and to examine inspect and copy Debtor's books and records pertaining to the Collateral and its business and financial condition and to discuss with account debtors and other obligors requests for verifications of amounts owed to Debtor (v) keep accurate and complete records pertaining to the Collateral and pertaining to Debtor's business and financial condition and submit to Secured Party such periodic reports concerning the Collateral and Debtor's business and financial condition as Secured Party may from time to time reasonably request, (vi) promptly notify Secured Party of any loss of or material damage to any Collateral or of any adverse change known to Debtor in the prospect of payment of any sums due on or under any instrument, chattel paper or account constituting Collateral (vii) if Secured Party at any time so requests (whether the request is made before or after the occurrence of an Event of Default) promptly deliver to Secured Party any instrument document or chattel paper constituting Collateral duly endorsed or assigned by Debtor (viii) at all times keep all tangible Collateral insured against risks of fire (including so called extended coverage) theft collision (in case of Collateral consisting of motor vehicles) and such other risks and in such amounts as Secured Party may reasonably request, with any loss payable to Secured Party to the extent of its interest (ix) from time to time execute such financing statements as Secured Party may reasonably require in order to perfect the Security Interest and if any Collateral consists of a motor vehicle execute such documents as may be required to have the Security Interest properly noted on a certificate of title (x) pay when due or reimburse Secured Party on demand for all costs of collection of any of the Obligations and all other out-of-pocket expenses (including in each case all reasonable attorneys' fees) incurred by Secured Party in connection with the creation perfection satisfaction protection defense or enforcement of the Security Interest or the creation continuance protection defense or enforcement of this Agreement or any or all of the Obligations including expenses incurred in any litigation or bankruptcy or insolvency proceedings (xi) execute deliver or endorse any and all instruments documents assignments security agreements and other agreements and writings which Secured Party may at any time reasonably request in order to secure protect perfect or enforce the Security Interest and Secured Party's rights under this Agreement (xii) not use or keep any Collateral or permit it to be used or kept for any unlawful purpose or in violation of any federal state or local law statute or ordinance (xiii) permit Secured Party at any time and from time to time to send requests (both before and after the occurrence of an Event of Default) to account debtors or other obligors for verification of amounts owed to Debtor and (xiv) not permit any tangible Collateral to become part of or to be affixed to any real property without first assuring to the reasonable satisfaction of Secured Party that the Security Interest will be prior and senior to any interest or lien then held or thereafter acquired by any mortgagee of such real property or the owner or purchaser of any interest therein. If Debtor at any time fails to perform or observe any agreement contained in this Section 3(d), and if such failure shall continue for a period of ten calendar days after Secured Party gives Debtor written notice thereof (or, in the case of the agreements contained in clauses (vii) and (ix) of this Section 3(d) immediately upon the occurrence of such failure without notice or lapse of time) Secured Party may (but need not) perform or observe such agreement on behalf and in the name place and stead of Debtor (or at Secured Party's option, in Secured Party's own name) and may (but need not) take any and all other actions which Secured Party may reasonably deem necessary to cure or correct such failure (including without limitation the payment of taxes the satisfaction of security interests liens or encumbrances the performance of obligations under contracts or agreements with account debtors or other obligors the procurement and maintenance of insurance the execution of financing statements the endorsement of instruments and the procurement of repairs transportation or insurance) and except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law Debtor shall thereupon pay Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by Secured Party in connection with or as a result of Secured Party's performing or observing such agreements or taking such actions together with interest thereon from the date expended or incurred by Secured Party at the highest rate then applicable to any of the Obligations. To facilitate the performance or observance by Secured Party of such agreements of Debtor Debtor hereby irrevocably appoints (which appointment is coupled with an interest) Secured Party or its delegate as the attorney in fact of Debtor with the right (but not the duty) from time to time to create prepare complete execute deliver endorse or file in the name and on behalf of Debtor any and all instruments documents financing statements applications for insurance and other agreements and writings required to be obtained executed delivered or endorsed by Debtor under this Section 3 and Section 4.

4 Lock Box, Collateral Account If Secured Party so requests at any time (whether before or after the occurrence of an Event of Default) Debtor will direct each of its account debtors to make payments due under the relevant account or chattel paper directly to a special lock box to be under the control of Secured Party Debtor hereby authorizes and directs Secured Party to deposit into a special collateral account to be established and maintained with Secured Party all checks drafts and cash payments received in said lock box. All deposits in said collateral account shall constitute proceeds of Collateral and shall not constitute payment of any Obligation. At its option Secured Party may at any time apply finally collected funds on deposit in said collateral account to the payment of the Obligations in such order of application as Secured Party may determine or permit Debtor to withdraw all or any part of the balance on deposit in said collateral account. If a collateral account is so established, Debtor agrees that it will promptly deliver to Secured Party for deposit into said collateral account all payments on accounts and chattel paper received by it. All such payments shall be delivered to Secured Party in the form received (except for Debtor's endorsement where necessary). Until so deposited all payments on accounts and chattel paper received by Debtor shall be held in trust by Debtor for and as the property of Secured Party and shall not be commingled with any funds or property of Debtor.

5 Collection Rights of Secured Party Notwithstanding Secured Party's rights under Section 4 with respect to any and all debt instruments chattel papers, accounts and other rights to payment constituting Collateral (including proceeds) Secured Party may at any time (both before and after the occurrence of an Event of Default) notify any account debtor or any other person obligated to pay any amount due that such chattel paper account or other right to payment has been assigned or transferred to Secured Party for security and shall be paid directly to Secured Party. If Secured Party so requests at any time Debtor will so notify such account debtors and other obligors in writing and will indicate on all invoices to such account debtors or other obligors that the amount due is payable directly to Secured Party. At any time after Secured Party or Debtor gives such notice to an account debtor or other obligor Secured Party may (but need not), in its own name or in Debtor's name, demand, sue for collect or receive any money or property at any time payable or receivable on account of, or securing, any such chattel paper account or other right to payment or grant any extension to, make any compromise or settlement with or otherwise agree to waive, modify amend or change the obligations (including collateral obligations) of any such account debtor or other obligor.

6 Assignment of Insurance Debtor hereby assigns to Secured Party, as additional security for the payment of the Obligations any and all moneys (including but not limited to proceeds of insurance and refunds of unearned premiums) due or to become due under and all other rights of Debtor under or with respect to any and all policies of insurance covering the Collateral and Debtor hereby directs the issuer of any such policy to pay any such moneys directly to Secured Party. Both before and after the occurrence of an Event of Default Secured Party may (but need not), in its own name or in Debtor's name execute and deliver proofs of claim, receive all such moneys endorse checks and other instruments representing payment of such moneys and adjust litigate, compromise or release any claim against the issuer of any such policy.

7 Events of Default Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default") (i) Debtor shall fail to pay any or all of the Obligations when due or (if payable on demand) on demand or shall fail to observe or perform any covenant or agreement herein binding on it (ii) any representation or warranty by Debtor set forth in this Agreement or made to Secured Party in any financial statements or reports submitted to Secured Party by or on behalf of Debtor shall prove materially false or misleading (iii) a garnishment summons or a writ of attachment shall be issued against or served upon the Secured Party for the attachment of any property of the Debtor or any indebtedness owing to Debtor (iv) Debtor or any guarantor of any Obligation shall (A) be or become insolvent (however defined) or (B) voluntarily file or have filed against it involuntarily a petition under the United States Bankruptcy Code or (C) if a corporation, partnership or organization be dissolved or liquidated or if a partnership suffer the death of a partner or if an individual die or (D) go out of business or (v) Secured Party shall in good faith believe that the prospect of due and punctual payment of any or all of the Obligations is impaired.

8 Remedies upon Event of Default Upon the occurrence of an Event of Default under Section 7 and at any time thereafter Secured Party may exercise any one or more of the following rights and remedies (i) declare all unmatured Obligations to be immediately due and payable, and the same shall thereupon be immediately due and payable without presentment or other notice or demand, (ii) exercise and enforce any or all rights and remedies available upon default to a secured party under the Uniform Commercial Code including but not limited to the right to take possession of any Collateral proceeding without judicial process or by judicial process (without a prior hearing or notice thereof which Debtor hereby expressly waives) and the right to sell lease or otherwise dispose of any or all of the Collateral and in connection therewith Secured Party may require Debtor to make the Collateral available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties and if notice to Debtor of any intended disposition of Collateral or any other intended action is required by law in a particular instance such notice shall be deemed commercially reasonable if given (in the manner specified in Section 10) at least 10 calendar days prior to the date of intended disposition or other action (iii) exercise or enforce any or all other rights or remedies available to Secured Party by law or agreement against the Collateral against Debtor or against any other person or property. Upon the occurrence of the Event of Default described in Section 7(iv) (B), all Obligations shall be immediately due and payable without demand or notice thereof. Secured Party is hereby granted a nonexclusive worldwide and royalty-free license to use or otherwise exploit all trademarks trade secrets franchises copyrights and patents of Debtor that Secured Party deems necessary or appropriate to the disposition of any Collateral.

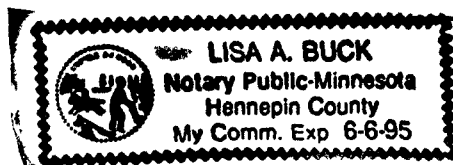
9 Other Personal Property Unless at the time Secured Party takes possession of any tangible Collateral, or within seven days thereafter Debtor gives written notice to Secured Party of the existence of any goods papers or other property of Debtor not affixed to or constituting a part of such Collateral but which are located or found upon or within such Collateral, describing such property, Secured Party shall not be responsible or liable to Debtor for any action taken or omitted by or on behalf of Secured Party with respect to such property without actual knowledge of the existence of any such property or without actual knowledge that it was located or to be found upon or within such Collateral.

10 Miscellaneous This Agreement does not contemplate a sale of accounts, or chattel paper Debtor agrees that each provision whose box is checked is part of this Agreement. This Agreement can be waived modified amended terminated or discharged and the Security Interest can be released only explicitly in a writing signed by Secured Party. A waiver signed by Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Secured Party's rights or remedies. All rights and remedies of Secured Party shall be cumulative and may be exercised singularly or concurrently, at Secured Party's option and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor shall be deemed sufficiently given if delivered or mailed by registered or certified mail postage prepaid to Debtor at its address set forth above or at the most recent address shown on Secured Party's records. Secured Party's duty of care with respect to Collateral in its possession (as imposed by law) shall be deemed fulfilled if Secured Party exercises reasonable care in physically safekeeping such Collateral or in the case of Collateral in the custody or possession of a bailee or other third person exercises reasonable care in the selection of the bailee or other third person and Secured Party need not otherwise preserve protect insure or care for any Collateral. Secured Party shall not be obligated to preserve any rights Debtor may have against prior parties to realize on the Collateral at all or in any particular manner or order or to apply any cash proceeds of Collateral in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective heirs representatives successors and assigns and shall take effect when signed by Debtor and delivered to Secured Party and Debtor waives notice of Secured Party's acceptance hereof. Secured Party may execute this Agreement if appropriate for the purpose of filing but the failure of Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon photographic or other reproduction of this Agreement or of any financing statement signed by the Debtor shall have the same force and effects as the original for all purposes of a financing statement. Except to the extent otherwise required by law this Agreement shall be governed by the internal laws of the state named as part of Secured Party's address above. If any provision or application of this Agreement is held unlawful or unenforceable in any respect such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution delivery and performance of this Agreement and the creation and payment of the Obligations. If this Agreement is signed by more than one person as Debtor, the term "Debtor" shall refer to each of them separately and to both or all of them jointly all such persons shall be bound both severally and jointly with the other(s) and the Obligations shall include all debts liabilities and obligations owed to Secured Party by any Debtor solely or by both or several or all Debtors jointly or jointly and severally and all property described in Section 1 shall be included as part of the Collateral whether it is owned jointly by both or all Debtors or is owned in whole or in part by one (or more) of them.

Acknowledgment to Equipment Loan
between Norwest Equipment Finance, Inc.
as Debtor and Dakota, Missouri Valley,
and Western Railroad, Inc. as borrower

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

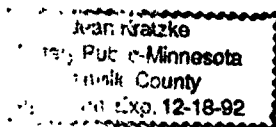
The foregoing instrument was acknowledged before me
this 20th day of August, 1990, by
Andrew Rupprecht, the AVP of
Norwest Equipment Finance, Inc., as Minnesota corporation,
on behalf of said corporation



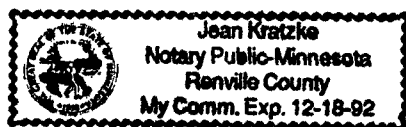
Lisa A Buck
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF Renville)

The foregoing instrument was acknowledged before me
this 20th day of August, 1990, by
Larry C. Wood, the President of
Dakota, Missouri Valley, and Western Railroad, Inc., a North
Dakota corporation, on behalf of said corporation.



Jean Kratzke
Notary Public



SCHEDULE 'A' TO LOAN # 4665-700

Borrower: Dakota, Missouri Valley and Western Railroad, Inc.

Description:

4 - Locomotives and 2 - Switches more specifically described as follows:

<u>Unit #</u>	<u>Model</u>	<u>H.P.</u>	<u>Year</u>
DMVW 326	GP-35	2500	1964
DMVW 325	GP-35	2500	1965
DMVW 324	GP-35	2500	1965
DMVW 323	GP-35	2500	1964
DMVW 426	NW-2	1000	1949
DMVW 428	NW-2	1000	1949

Dated: August 17, 1990

Borrower: Dakota, Missouri Valley and Western Railroad, Inc.

By: Larry Wood
Its: PRESIDENT



Norwest Equipment Finance, Inc
Suite 120
1600 West 82nd Street
Minneapolis, Minnesota 55431

Promissory Note

Dakota, Missouri Valley, and
Western Railroad, Inc.

For value received, the undersigned, Dakota, Missouri Valley, and Western Railroad, Inc. hereby promises to pay to the order of Norwest Equipment Finance, Inc. ("Norwest Equipment Finance") at its office in Minneapolis, Minnesota, or at such other place as may be designated from time to time by the holder hereof, the sum of \$ 469,842.60 in installments according to the schedule set forth below; provided, however, that the undersigned and Norwest Equipment Finance may agree to any other payment schedule, in which case any variations shall be set forth in the space provided for additional provisions. The first payment period shall begin on the 15th day of the month in which Norwest Equipment Finance disburses the loan proceeds if disbursement is made on or before the 15th day of such month, and the first payment period shall begin on the last day of such month if disbursement is made during the balance of such month. The first installment shall be payable on the first payment due date set forth below (which may be the same as the date the first payment period begins). Subsequent installments shall be payable on the first day of each payment period beginning after the first payment period. The undersigned agrees that the date the first payment period begins may be left blank when this Note is executed and hereby authorizes Norwest Equipment Finance to insert such date based upon the date the loan proceeds are disbursed.

PAYMENT SCHEDULE

Date first payment period begins August 31, 19 90
First payment due September 30, 19 90
Number of installments Sixty (60)
Amount of each installment \$ 4,509.11*
Payment period (check one)
☒ Monthly ☐ Annually
☐ Quarterly ☐ Other—See Additional Provisions
☐ Semi-Annually

ADDITIONAL PROVISIONS

* Borrower shall pay fifty-nine (59) installments of \$4,509.11 beginning September 30, 1990 and a final installment of \$203,805.11 due August 31, 1995.

If any installment is not paid when due, then in addition to any other remedy Norwest Equipment Finance may have hereunder, Norwest Equipment Finance may impose and, if imposed, the undersigned shall pay a late charge of 5% of the amount of the delinquent installment but in any event not more than permitted by applicable law. Payments thereafter received shall be applied first to delinquent installments and then to current installments.

This Note may be prepaid in whole or in part at anytime and from time to time but only if accompanied by a prepayment premium of 2% of the principal amount prepaid. Any partial prepayment shall be applied to the last maturing installment or installments. Upon any prepayment in full, the unearned portion of the interest will be refunded using a simple interest calculation.

The following shall constitute an Event of Default hereunder: (a) failure to pay any installment hereunder when due, (b) the occurrence of an event of default as defined in any security agreement or mortgage securing this Note, and (c) the commencement of any bankruptcy or insolvency proceedings by or against the undersigned or any guarantor of this Note. Upon the occurrence of an Event of Default, Norwest Equipment Finance may do any one or more of the following as it may elect: (i) upon written notice to the undersigned, declare the entire unpaid balance of the Note to be immediately due and payable, and the same (less unearned interest computed using simple interest calculation as if this Note had been paid in full on the date it became due and payable) shall thereupon be and become immediately due and payable; (ii) exercise any one or more of the rights and remedies available to it under any security agreement or mortgage securing this Note or under any other agreement or by law.

The undersigned hereby waives presentment, notice of dishonor, and protest. The undersigned agrees to pay all costs of collection of this Note, including reasonable attorney's fees. The holder hereof may change the terms of payment of the Note by extension, renewal or otherwise, and release any security for, or party to, this Note and such action shall not release any accommodation maker, endorser, or guarantor from liability on this Note.

Dated August 17, 19 90

Dakota, Missouri Valley, and Western Railroad, Inc.

Borrower

By X

Larry Wood
PRESIDENT

Its X

Acknowledgment to Equipment Loan
between Norwest Equipment Finance, Inc.
as Debtor and Dakota, Missouri Valley,
and Western Railroad, Inc. as borrower

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me
this _____ day of _____, 1990, by
_____, the _____ of
Norwest Equipment Finance, Inc., as Minnesota corporation,
on behalf of said corporation

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF Renville)

The foregoing instrument was acknowledged before me
this 20th day of August, 1990, by
Larry C. Wood, the President of
Dakota, Missouri Valley, and Western Railroad, Inc., a North
Dakota corporation, on behalf of said corporation.

Jean Kratzke
Notary Public

